

July 10, 2006

Ms. Susan M. Hudson, Clerk
Public Service Board
Chittenden Bank Building, 4th Floor
112 State Street
Post Office Drawer 20
Montpelier, VT 05620-2701

Re: Electricity Affordability Program Workshop

Dear Ms. Hudson:

Please accept this letter as the joint response of the Group of Fourteen Municipal Electric Departments* (the "Group of Fourteen") to the Public Service Board's (the "Board") questions in its Memorandum of June 12 as it begins to convene a collaborative of stakeholders to consider Section 10a of Act 208 of the 2006 General Assembly requiring the Board to design a proposed electricity affordability program. The Group of Fourteen expect to participate in the collaborative process and thank the Board for inviting us to comment on a work plan in the development of the program.

In response to the specific questions set forth by the Board in its memo dated June 12, 2006, please consider the following:

1) *What process should the Board use for an electricity affordability program collaborative to aid the Board in developing draft electricity affordability legislation?*

* Group of Fourteen Municipal Electric Utilities include:

Barton Village, Inc. Electric Department
Enosburg Falls Electric Light Department
Hardwick Electric Department
Hyde Park Electric Department
Jacksonville Electric Department
Johnson Electric Department
Ludlow Electric Light Department
Lyndonville Electric Department
Morrisville Water and Light Department
Northfield Electric Department
Village of Orleans Electric Department
Readsboro Electric Department
Stowe Electric Department
Swanton Electric Department

We suggest the Board use a workshop format as the process for developing and designing the program. We believe this format is most conducive to allow for a free-flowing of information and open discussion. All interested stakeholders should be invited and encouraged to attend each scheduled workshop.

2) *What individuals and groups should be invited to participate who are not on the initial distribution list for this memo?*

We note the legislation specifically lists a number of interested parties who should aid in the collaborative, and also gives discretion to the Board to identify other stakeholders. We also note residential customers are specifically listed but commercial and industrial customers are not. We suggest representatives of these customer classes be invited to participate in the collaborative as their viewpoints as ratepayers will likely add further perspective to the collaborative's discussion. Such customers, groups or representatives of such customers may include the Vermont Ski Areas Association, the Vermont and Lake Champlain Chambers of Commerce, IBM, the Association Industries of Vermont, the Vermont Retail Association, the Vermont Grocers Association, the Vermont Farm Bureau, and the Greater Burlington Industrial Corporation.

3) *Is the assistance of paid consultant resources necessary to this process? If so, what recommendations do commenters have for the type and scope of assistance needed, as well as how any such assistance should be paid for?*

We do not believe paid consultant resources are necessary to this process. If it is determined, however, that such resources are necessary, we must question what the Board's intention is to recover the costs of such consultants. We suggest only those proponents of the electricity affordability program participating in the collaborative bear the costs of any consultants. While we understand it was the General Assembly that has directed the Board to design this program, it is not clear the Legislature intended that all ratepayers should finance the development of a significant policy proposal, and consultants related thereto, that has yet to be either endorsed or rejected by the General Assembly.

4) *What should the timeframe be for the collaborative process?*

We suggest the timeframe be consistent with the parameters established in the legislation to facilitate sufficient discussion and review of the issues in a manner that allows for the Board to submit its proposed design to the General Assembly by January, 2007.

5) *In what way should the development of the electricity affordability program relate to the affordability study required of the Department of Public Service by Section 10b of Act 208? If commenters believe affordability program design should be informed by the study required by Section 10b, what are the implications of that interdependency for the timing of the collaborative input process?*

It appears the study in Section 10b is intended to be a broader review that will report on all statewide public and private programs that address poverty. Beyond a comparison of the overall assistance provided in Vermont compared to the states in the Northeast and elsewhere, it is not clear if the study is to offer analysis or comment on the nature or effectiveness of such programs. We also note the report required in Section 10b is due to the General Assembly by January 15, 2007; a date subsequent to the date for the electricity affordability program to be submitted to the General Assembly.

6) *Does any potential participant object to the use of email as the means of exchanging information within the collaborative process of developing the affordability program?*

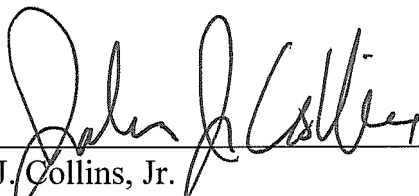
No.

7) *What other issues should be considered in the initial workshop?*

We can think of none at this point.

The Group of Fourteen and VPPSA again wish to thank the Board and Board staff for the opportunity to present our comments to the Board as it convenes a collaborative of stakeholders to design a proposed electricity affordability program. We look forward to our participation in the collaborative process, considering the comments of all collaborative participants, and discussing the program within the collaborative and before the Legislature in the next General Assembly. Should you have any questions or comments, please do not hesitate to contact us.

GROUP OF FOURTEEN MUNICIPAL ELECTRIC DEPARTMENTS

By: 
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